

**City of San Diego
Scope of Work Fiscal Year 2004
Independent Audit of Financial Statements**

The audit period shall encompass Fiscal Year 2003-2004. The auditor will conduct the audit of relevant statements and schedules sufficient to enable the certified public accounting firm to express an informed written opinion on:

- 1) The fair presentation of the financial position and changes in financial position of the governmental activities, business-type activities, each major fund, the aggregate remaining other fund information, and fiduciary funds in conformity with Generally Accepted Accounting Principles (GAAP) in the United States for the year ended, enabling the City to meet the requirements of the Government Finance Officers Association (GFOA) Certificate of Achievement of Excellence in Financial Reporting.
- 2) Financial and compliance audits under the Single Audit Act and OMB Circular A-133. The internal accounting and other control systems as required by the Single Audit. Audits will meet required standards as revised by Generally Accepted Audit Standards (GAAS) guidelines and Generally Accepted Governmental Auditing Standards (GAGAS), issued by the Comptroller General of the United States.
- 3) The Auditor may issue a management letter to the extent considered appropriate, or as requested by the City. The auditor may recommend improvement in any areas brought to its attention during the course of the audit.

The auditor will issue its report with respect to the following:

- 1) The City of San Diego Comprehensive Annual Financial Report which includes the basic financial statements, Management's Discussion and Analysis, other Required Supplementary Information, combining and Individual Fund Statements, and Statistical data for the fiscal year ended June 30.
- 2) The City of San Diego Water Utility Annual Financial Report.
- 3) The City of San Diego Sewerage Utility Annual Financial Report with supplemental separate opinions for the Municipal, Metropolitan, and Clean Water Programs, as required. Including the allocation for billing Metropolitan System of the City of San Diego Sewer Utility.
- 4) City of San Diego Appropriation Limit Worksheet (GANN Limit).
- 5) The Component Unit Annual Financial Report for the following:
 - Redevelopment Agency
 - San Diego Open Space Park Facilities District 1

San Diego Facilities and Equipment Leasing Corporation
City of San Diego Metropolitan Transit Development Board Authority
Automated Regional Justice Information System
Public Facilities Financing Authority of the City of San Diego
San Diego Geographic Information Source (SanGIS)
Abandoned Vehicle Abatement Authority
San Diego Convention Center Expansion Authority

And additional related entity audits, as required, which would be included as part of the comprehensive Annual Audit (fees to be negotiated).

- 6) The Single Audit Act of 1984, Federal Public Law 98-502 and OMB Circular A-133 for the following:
City of San Diego
Redevelopment Agency
- 7) Audit services performed in order for the audit firm to consent to inclusion of the annual financial statement in the official statements of respective debt issues.

Several City of San Diego component units will be audited by other outside auditors and will not be included in this scope of work. Those component units are as follows:

San Diego Convention Center Corporation
San Diego Housing Commission
San Diego Data Processing Corporation
Centre City Development Corporation
Southeastern Economic Development Corporation
San Diego Medical Services Enterprise, LLC
Naval Training Center Special Fund

In addition, the San Diego City Employees Retirement System Annual Financial Report will also be conducted by another independent auditor and not included in this scope of work.

The audit firm shall perform an external quality review of the Audit Division in accordance with the standards established by the AICPA and to meet compliance with the Yellow Book standards. Upon completion of this review, a formal report shall be issued to the City Auditor and Comptroller containing an opinion of the Audit Division's work. The review will satisfy the requirements for external quality control review mentioned in the fourth General Standard in GAGAS, and the statement on Internal Auditing Standards No. 4, Quality Assurance.

Please contact Lisa Irvine (619-236-6070, lirvine@sandiego.gov) if you have any questions regarding this draft proposed scope of work for the Fiscal Year 2004 financial statements.